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UNCLAS ZAGREB 000145

SIPDIS

DEPARTMENT FOR CA/FPP AND CA/VO/F/P  
DEPARTMENT ALSO PASS TO KCC  
VIENNA ALSO FOR DHS/BICE  
POSTS FOR FRAUD PREVENTION MANAGERS

E.O. 12958: N/A  
TAGS: [KFRD](#) [CVIS](#) [CPAS](#) [CMGT](#) [ASEC](#) [HR](#)  
SUBJECT: ZAGREB QUARTERLY FRAUD SUMMARY FIRST  
QUARTER FY2006

REF: (A) ZAGREB 105 (B) ZAGREB 129

COUNTRY CONDITIONS

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¶1. Bolstered by reforms in preparation for EU membership and the official start of EU accession talks in October 2005, Croatia's economy is steadily improving, unemployment rates are gradually declining, and fewer and fewer Croatians need to resort to fraud or malfeasance to travel abroad. Development has been lopsided, with larger urban areas and Istria receiving a disproportionate share of economic gains. Croatia's geographic position between the European Union and the transition countries of Southeastern Europe does, however, make it an attractive transit point for people, drugs, arms, and money. Corruption is perceived as widespread and often whom you know still trumps what you know. Reports of fraudulent Croatian passports surfaced in two high-profile cases in 2005; however, counterfeit identity documents are virtually never seen at the consular window. What little fraud Embassy Zagreb sees is often motivated more by convenience than genuine malfeasance.

NIV FRAUD (BY CATEGORY)

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¶2. NIV fraud in Zagreb is low. While outright fake documents are essentially non-existent, a large gray economy leads some B1/B2 applicants to submit job letters from immediate relatives or friends or, less often, themselves. Fake job letters are easy to spot and quickly confirmed by inconsistencies in an interview. Some employment-based fraud is also motivated by convenience; for example, two fashion models working in the United States who should be classified as H-1B submitted B1/B2 applications and, though well-coached, admitted in interviews that they were aware they needed H-1B visas but that the H-1B quota had already been met for FY06. Some J-1 applicants present approved DS-2019 forms for 18-month "management training" programs that often involve nothing more than serving food in an amusement park or cleaning rooms in a hotel. Applicants and U.S. sponsors alike know H-2Bs are numerically controlled and J-1s are not.

¶3. As a large C1/D issuing post, Embassy Zagreb's anti-fraud unit has cultivated good relations with local agents of large shipping companies and can easily confirm the authenticity of most sailors' employment contracts. Employment contracts for sailors on private yachts or employed by agents outside of Croatia sometimes require more detailed anti-fraud investigations.

¶4. Post recently uncovered an L/B1 visa fraud ring in which a Croatian-Australian dual national recruited laborers from Croatia, Bosnia and Herzegovina, and Poland for floor installation work in Fayetteville, GA (ref A).

¶5. Zagreb sees isolated incidents of R-1 visa fraud. In one instance, a part-time yoga instructor sought to qualify as a religious worker though not even a member of the religious organization; in another, a college student and web designer sought an R-1 visa for religious education in Hawaii because his theological school was unable to obtain accreditation to file I-20 applications.

¶6. Zagreb also sees modest numbers of B-1/B-2 applicants sponsored by Croatian-American churches chiefly in Pittsburgh, PA and Chicago, IL who should be classified as P-3; often, professional musicians will seek to circumvent the petition process by applying for B1/B2 visas.

17. Applicants who submit obviously fake employment letters are generally refused under 214(b). Applicants who seek to circumvent the petition processes for H or P visas are often refused under 221(g) pending the appropriate petition. A recent B1/B2 validation study showed less than a one percent overstay rate (ref B).

#### IV FRAUD

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18. Embassy Zagreb is an IV processing post for Slovenia, Croatia, and Bosnia and Herzegovina. The majority of Zagreb's IV workflow (60%) involves applicants from Bosnia. The overwhelming majority of IV cases involve immediate relative petitions, approximately evenly split between IR-5 and CR-1/IR-1 cases. In a typical IR-5 scenario, a Bosnian national who was admitted to the United States as a refugee in the late 1990s and naturalized in 2005 petitions for his or her parents. Post is not aware of a single fraud case involving an IR-5 applicant.

19. Marriage fraud is likewise uncommon. Most CR-1 and IR-1 beneficiaries are female. Our standard CR-1 case is a Bosnian or Croatian national who immigrated to the United States in the mid- to late-1990s, established himself financially, and then returned to Bosnia or Croatia to find a spouse. CR-1 beneficiaries often do not know their spouses well and have seldom met them more than once or twice before marrying. Often the couple's families, who frequently come from the same town or village, orchestrate the marriage. CR-1 or IR-1 cases that deviate from this general narrative may prompt Post fraud investigations. In one example, a former F-1 applied as a CR-1 and told an officer that Post "forced" him to marry because that year's H-1B quota had already been filled and the applicant thought he could accept employment through an IV application.

110. Post processes very few employment-based IV cases and sees almost no employment-based IV fraud. One pending E-3 case concerns a restaurant in Massachusetts that appears to be recruiting cheap (and unqualified) labor from the former Yugoslavia.

#### DV FRAUD

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111. Post has not encountered any significant DV fraud.

#### ACS AND PASSPORT FRAUD

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112. Nothing to report.

#### ADOPTION FRAUD

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113. Croatian law severely restricts foreigners' ability to adopt in Croatia, requiring at least one parent to have Croatian citizenship. Post sees approximately one or two adoption cases a year.

#### ASYLUM AND OTHER DHS BENEFITS

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114. Post processes approximately three Visas 92 and 93 cases a year and has not encountered any significant fraud.

#### COOPERATION WITH HOST GOVERNMENT AUTHORITIES

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115. Embassy Zagreb continues to enjoy productive relations with key GOC officials in the Ministry of the Interior, police departments, customs, and border police. The Croatian authorities take document fraud seriously. Post's anti-fraud unit, through RSO channels, enjoys a strong working relationship with local law enforcement. In November 2005, Post's FPM and anti-fraud FSN visited the busy Bregana border crossing between Croatia and Slovenia. Bregana is Croatia's biggest border with 3000 crossings daily. Post also has good relations with the Zagreb airport staff, who assist not only in cases of fraud or male fide travel but also emergency ACS work as well.

#### AREAS OF PARTICULAR CONCERNS

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116. Post has started to discuss trafficking in persons with certain visa applicants at the window to

raise awareness and encourage travelers to register with a Croatian Embassy or Consulate in the United States.

STAFFING AND TRAINING

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¶17. Embassy Zagreb's anti-fraud unit consists of one officer FPM and one LES assistant. The officer, one of three in the section, spends approximately 25 percent of his time on anti-fraud work. The LES assistant also does a full range of NIV processing and spends approximately 50 percent of her time on anti-fraud. Both the FPM and LES assistant attended a regional anti-fraud conference hosted by U.S. Embassy Athens in 2005. Post intends to nominate the LES anti-fraud assistant for an EUR anti-fraud FSN workshop in 2007.

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